

Admission of CIRP Applications on the basis of Form D (Record of Default) issued by NeSL- Information Utility

NCLT, Mumbai Bench, Court VI, in the CIRP Application filed by the Hong Kong and Shanghai Banking Corporation Ltd under Section 7 of IBC, 2016 (C.P.(IB)/ 797/MB/2025), has admitted the application for initiation of Corporate Insolvency Resolution against the Corporate Debtor M/s Sanghvi Beauty & Technologies Private Ltd, vide Order dated 12.09.2025.

In the above-mentioned Order, the Hon'ble members of NCLT have placed reliance on the contents of the Records of Default issued by NeSL-IU in determining debt & default, for admitting the application filed under Section 7 of IBC, 2016, read with Rule 4 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016, for initiating CIRP.

The relevant extracts of the Orders of NCLT are as under:

Page 21 - Para 35:

"Applicant has placed the Records of Default ... of the application and are in "Authenticated" status."

Page 22 - Para 42:

*"Further, the Hon'ble Supreme Court in the case of **Innoventive Industries Limited v. ICICI Bank Limited**, (Civil Appeal Nos. 8337-8338 of 2017) (2017) 8SCR 33 has discussed extensively the scope of the power of the Adjudicating Authority under section 7 of the IBC and has held that the same is limited to assessing the records provided by the financial creditor to satisfy itself that the default has occurred. The relevant portion of the said Judgment is reproduced below:*

...30. On the other hand, as we have seen, in the case of a corporate debtor who commits a default of a financial debt, the adjudicating authority has merely to see the records of the information utility or other evidence produced by the financial creditor to satisfy itself that a default has occurred. It is of no matter that the debt is disputed so long as the debt is "due" i.e. payable unless interdicted by some law or has not yet become due in the sense that it is payable at some future date. It is only when this is proved to the satisfaction of the adjudicating authority that the adjudicating authority may reject an application and not otherwise."

Page 23 – Para 43:

"In view of the facts as stated supra and also in view of the 'financial debt' which is proved by the Financial Creditor and the 'default' being committed on the part of the Corporate Debtor, this Tribunal is left with no other option than to proceed with the present case and initiate the Corporate Insolvency Resolution Process in relation to the Corporate Debtor.."

Page 23 – Para 44:

"As a consequence of the above discussion, the present Application being CP(IB)/797/MB/2025 is being admitted in terms of Section 7 of the Code..."